# Fourth quarter 2024

HydrogenPro

# Contents

# About HydrogenPro

HydrogenPro, established in 2013, specializes in pioneering green hydrogen technology solutions in partnership with global collaborators and suppliers.

HydrogenPro is an original equipment manufacturer with a high focus on R&D. Headquartered at Herøya, Norway, our proudest achievement lies in developing cutting-edge high-pressure alkaline electrolyzers, including proprietary electrode technology that enhances our global competitiveness. Designed for scalability with renewable energy inputs, our electrolyzers offer cost-effective solutions crucial for enhancing sectors like wind, solar, and other renewables in the energy transition. Green hydrogen, as a versatile energy carrier, plays a pivotal role in advancing the green energy shift. At HydrogenPro, we are dedicated to leading the green hydrogen industry forward with our innovative technology and expertise, driving towards a sustainable future.

Our team comprises highly skilled professionals, including key experts in global hydrogen technology. In addition to our operations in Norway, we operate R&D, sales, and manufacturing facilities across Denmark, Germany, the US and China.

We take great pride in our ESG strategy about creating a sustainable society with hydrogen. Our technology supplies high-performance and zero emission energy, to help you reach your production and sustainability goals all at the same time.

By powering innovation, we are energizing tomorrow. We are changing the world. For good.

**Technology Leader**

**Global footprint**

**Scalability**

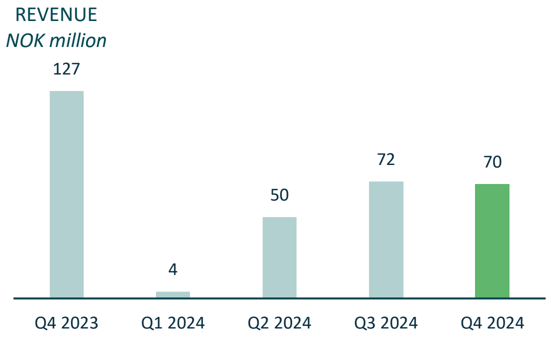
**Life Cycle Partner**

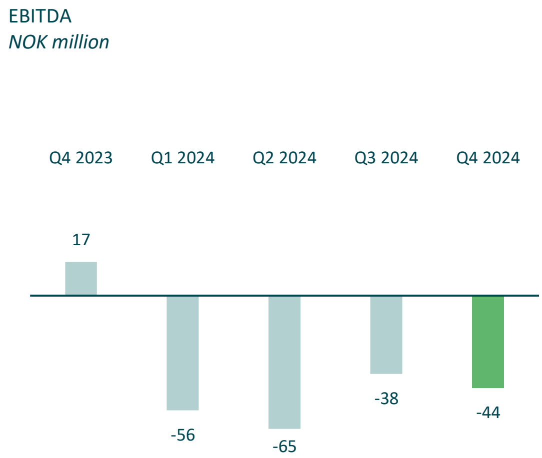
# Highlights

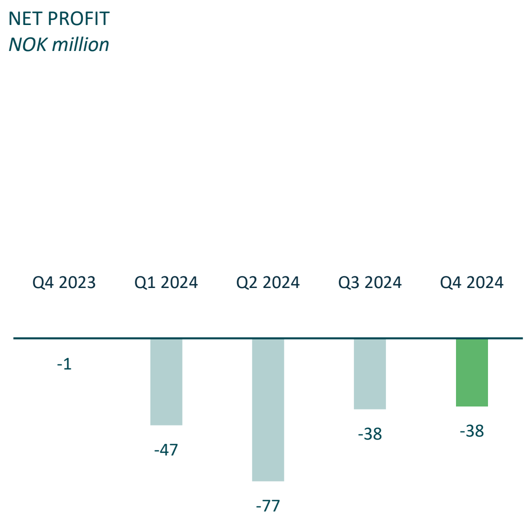
## Q4 2024 Highlights

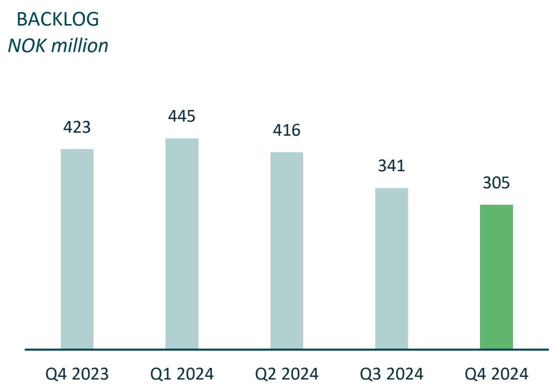
- **Revenues for the quarter of NOK 70 million** (compared to NOK 72 million in Q3 2024, NOK 127 million in Q4 2023)
- **EBITDA of NOK -44 million** (compared to NOK -38 million in Q3 2024 and NOK 17 million in Q4 2023)
- **Cash balance of NOK 191 million** (compared to NOK 188 million end of Q3 2024 and NOK 161 million end of Q4 2023)
- **Strategic NOK 70 million investment from existing investors and conditionally NOK 70 million from new strategic partner**

## Financials



# Q4 2024 Summary

## Developments during the quarter

### Market development

The pace of large-scale green hydrogen projects progressing from announcement to engineering and market entry has slowed toward the end of the year. While new subsidy programs and fresh rounds of EU and national funding continue to support these projects, they must first undergo qualification and FEED phases before moving into advanced selection processes, with final investment decisions (FID) expected in the coming years.

During the fourth quarter, further cancellations of previously announced projects have been announced, ranging from 50 to 200 MW, whereas some also affecting HydrogenPro. The primary reasons cited for these withdrawals include a lack of government funding, rising capital and setup costs due to general inflation, and increased expenses on balance of plant equipment and construction, all of which make these projects financially unviable. Additionally, restraints on infrastructure, transportation and the cost of such are factors limiting the markets' appetite on entering into offtake agreements. At the same time more affordable fossil energy alternatives are available at a lower cost and expectations of a less aggressive carbon taxation policy in the short-term perspective prevail.

The European Hydrogen Bank has further clarified its requirements regarding electrolyzer origin. For HydrogenPro, this means we will remain fully compliant with minor supply chain adjustments, coupled with our continued assembly operations in Germany in cooperation with our partner. The fact remains, however, that these requirements are driving up costs for European projects in general, leading to slowing new project developments in the region further down.

*Project Portfolio and Market Trends*

For HydrogenPro's portfolio—both independent and partnered projects—we have seen relatively few outright cancellations but are experiencing general delays in project finalization and FID processes. Among targeted sectors, Power-to-X (PtX), ammonia, and hydrogen-as-fuel segments remain more active than refinery or large-scale sustainable aviation fuel (SAF) projects. This is likely due to the substantial hydrogen volumes these industries require, combined with the expectation of lower carbon taxation and continued acceptance of low-carbon hydrogen (e.g., blue hydrogen) in major projects.

Across the US, Europe, the Middle East, and India, we see increasingly mature and professional players entering the market. In response, HydrogenPro is intensifying its activity in these regions by forming strong, strategic partnerships to strengthen market entry.

In North America, long-term projections for green and low-carbon hydrogen remain strong, though delays persist. Our partnerships enhance our market presence and credibility with key project developers and operators. However, uncertainty remains regarding the final implementation of recently released incentive program rules, particularly as potential political shifts may impact their application.

While we await FIDs on announced projects, the global electrolyzer market continues to face overcapacity challenges. As a result, maintaining a disciplined and flexible ramp-up strategy—rather than premature scaling operations—will be essential. Additionally, structuring our business to withstand extended periods of low order volume ensures we remain prepared when market conditions improve. In the meantime, our focus will remain on:

- **Rigorous testing and demonstration** of our technologies,
- **Consistent execution** of ongoing deliveries, and
- **Strategic positioning** to capitalize on emerging opportunities.

### Strategic NOK 70 million investment from existing investors and conditionally NOK 70 million from new strategic partner

On 23rd December 2024, HydrogenPro announced raising NOK 70 million through a private placement of new shares directed at its existing shareholders, ANDRITZ AG and Mitsubishi Heavy Industries Ltd. (MHI). Additionally, the company has entered into an investment agreement with LONGi Hydrogen Technology Co., Ltd., involving a conditional equity investment of approximately NOK 70 million, and a cooperation agreement.

Upon the successful completion of the LONGi investment, the combined gross proceeds from the private placement and the LONGi investment will total NOK 140 million. The subscription price for both the private placement and LONGi investment is NOK 5.50 per share, higher than the NOK 4.50 per share market price as of 20 December 2024.

LONGi Hydrogen Technology, a subsidiary of LONGi Green Energy Technology Co., Ltd., specializes in green hydrogen equipment and solutions. Its parent company is a global leader in solar photovoltaic (PV) products and solutions, listed on the Shanghai Stock Exchange.

### HydrogenPro awarded EUR 16.5 million grant for large scale production of next-generation electrode technology

On 3 October 2024, HydrogenPro announced that its Danish subsidiary, HydrogenPro ApS, has been awarded a EUR16.5 million grant from the EU Innovation Fund. This funding will support large-scale production of next-generation electrode technology, enhancing the efficiency of HydrogenPro's high-pressure alkaline electrolyzers and further reducing the Levelized Cost of Hydrogen.

This EU grant is pivotal in financing the H2-GIGA project and follows a previous award of DKK 35 million from Denmark's Export and Investment Fund in May 2024. Together, these grants cover more than 50% of the project's total investment scope.

The H2-GIGA large-scale factory will build on this experience, with a total of 500 MW manufacturing capacity, and has the potential for significant expansion to meet growing customer demand.

### Outlook

The hydrogen market continues to evolve amid shifting global dynamics. While large-scale projects have faced delays, there is increasing momentum for smaller, scalable projects that align with current infrastructure and investment trends. Europe is emerging as a key driver of hydrogen adoption, supported by policy incentives and a growing demand for decarbonization solutions. While the U.S. was previously the primary market for renewable energy expansion, attention is gradually shifting toward Europe, though the transition will require time to establish necessary infrastructure and off-take agreements.

Despite temporary setbacks, the long-term outlook for green hydrogen remains positive. Several large projects that were previously delayed are progressing toward Final Investment Decisions (FID), signaling renewed confidence in the sector. However, challenges related to funding, rising capital costs, and uncertainty around incentive programs continue to impact investment timelines.

HydrogenPro is well-positioned to leverage these market trends through its established expertise, advanced technology, and strategic partnerships. Key developments include:

HydrogenPro remains a proven supplier for major hydrogen initiatives based on its deliveries to 2 of the ten largest projects outside of China. The company's involvement in delivering 42 electrolyzers (plus two reserves) for the ACES project and 20 electrolyzers for Salzgitter reinforces its credibility in large-scale hydrogen infrastructure as well as having the some of the few documented operational projects as reference.

The company is progressing toward full-scale testing of its next generation electrolyzer at Herøya, Norway. It is currently in a start-up phase, and the test marks an important milestone in HydrogenPro's efforts to enhance efficiency and performance in hydrogen production.

Several hydrogen projects are advancing through key phases, increasing the likelihood of investment approvals. While some may proceed with revised scopes due to financial constraints, HydrogenPro remains focused on securing firm purchase orders to ensure continued growth and cash flow stability.

HydrogenPro's collaborations with Andritz in Europe, Mitsubishi in America, and latest LONGi in China provide strong market positioning in key regions. These partnerships enhance the company's ability to address varying regulatory and commercial requirements across different markets.

As HydrogenPro is well positioned through partnership on three continents USA, Europe and East Asia, the energy transition and development of Hydrogen value chain is emerging in India and the Middle East. HydrogenPro is addressing these emerging markets developing foothold over the next periods.

European regulatory requirements, particularly those set by the European Hydrogen Bank, are shaping investment decisions. HydrogenPro is compliant with these regulations, leveraging a supply chain model that integrates key processing steps like electrode production in Aarhus and assembly in Erfurt while still sourcing some key components from China. This ensures that customers qualify for available financial incentives.

However, rising trade barriers and protectionist policies in certain regions could increase costs for European hydrogen projects, potentially slowing adoption. HydrogenPro continues to advocate for efficiency-driven cost reductions rather than restrictive trade measures to accelerate the energy transition.

While market conditions remain fluid, HydrogenPro is well-positioned to navigate challenges, drive innovation, and support the long-term growth of the green hydrogen sector.

In our 2023 Annual Integrated Report, several key risks that could impact the Company's business operations and financial performance were identified. As of this quarter, we confirm that these risks remain relevant and continue to be actively monitored and managed. Below is a summary of the primary risks faced by our Company:

Strategy and Business Risk: The hydrogen production market is still developing, with risks from market volatility, client expectations, and regulatory changes. On 27 September 2024, the European Hydrogen Bank introduced new regulations limiting projects to sourcing no more than 25% of electrolyzer stacks from China. Following further clarification, HydrogenPro will remain compliant with minor supply chain adjustments and continue assembly operations in Germany with our partner. However, these requirements are expected to increase costs for European projects, which poses a risk to business by potentially delaying new developments in the region.

Operational Risk: The Company is exposed to potential disruptions in its supply chain, especially given its reliance on suppliers in China.

Technology Risk: Main technology risks are non-competitive performance of our equipment and limited access to long-term performance data, with limited resources to conduct short-term testing. Until long-term data is validated at customers' sites, success relies on accurate estimates and manageable liabilities. Building trust requires competitive performance, timely delivery, and strong customer support and cooperation.

People Risk: As the Company matures, pressure on staff and leadership increases, with risks of key person and staff turnover. The company is actively working to improve the work environment and has seen significant improvements in reducing unwanted turnover.

Health, Environmental, and Safety Risk: The Company manages health, safety, and environmental risks at its various facilities, including those in China, Denmark, and Norway, which has led to significant improvements in work related incidents and reduced risks.

ESG Risks: The Company faces challenges in meeting environmental, social, and governance (ESG) expectations, which could lead to higher costs or reputational damage.

Financing risk: the Company faces financial risks from fluctuations in commodity prices like steel and nickel, and counterparty risks. Ensuring sufficient liquidity, both short and long term, is essential to continue operations, pursuing contracts and strategic goals. Until the Company generates positive cash flow from business operations, the Company is dependent on external financing, and in the event no capital is available, the Company will meet financial difficulties to continue operations.

All of these risks are continuously monitored and mitigated through a wide range of measures, including, but not limited to actively assessing and pursuing financing alternatives, establishment and implementation of systems and procedures in all parts of the organization, approval matrices, quality control, HSE, diligent planning, information sharing, insurances, contractual terms, credit assessment etc.

# Financials

## Income statement

| Q4 2024 | Q3 2024 | Q4 2023[1] | NOK million | FY 2024 | FY 2023[1] |
|---|---|---|---|---|---|
| 70 | 72 | 127 | Revenue from contracts with customers | 196 | 568 |
| 41 | 53 | 39 | Direct materials[1] | 147 | 331 |
| 29 | 19 | 88 | Gross profit/(loss) | 49 | 237 |
| | | | | | |
| 41 % | *26 %* | *69 %* | *Gross margin* | *25 %* | *42 %* |
| | | | | | |
| 42 | 40 | 26 | Personnel expenses | 144 | 120 |
| 31 | 18 | 45 | Other operating expenses | 109 | 154 |
| -44 | -38 | 17 | EBITDA | -205 | -36 |
| 6 | 6 | 6 | Depreciation and amortization expenses | 23 | 22 |
| -50 | -44 | 11 | EBIT | -228 | -58 |
| 12 | 6 | -11 | Net financial income and expenses | 27 | -5 |
| -38 | -38 | -1 | Profit/(loss) before income tax | -200 | -63 |
| 0 | - | - | Income tax expense | - | - |
| -38 | -38 | -1 | Profit/(loss) | -200 | -63 |

*[1]See Note 10 Change of Presentation of Income Statement*

HydrogenPro generated revenues of NOK 70 million during the fourth quarter of 2024 compared to NOK 72 million in the third of quarter and NOK 127 million in the fourth quarter of the previous year. The revenues in fourth quarter 2024 are mainly related to deliveries to the SALCOS project (100 MW) with ANDRITZ in Germany.

Direct material (includes raw materials and components for project delivery) for the quarter amounted to NOK 41 million compared to NOK 53 million in third quarter of 2024 and NOK 39 million in fourth quarter of 2023. The lower cost of direct materials in this quarter compared to the previous quarter is mainly due to higher project expenses related to the ACES project in the third quarter vs. fourth quarter.

Personnel expenses as presented above includes all payroll and related expenses including those of staff who work directly within project delivery. This amounted to NOK 42 million, same as in the third quarter of 2024. The comparable payroll amount was NOK 26 million for the fourth quarter of 2023.

Other operating expenses amounted to NOK 31 million in the fourth quarter, compared to NOK 18 million in the third quarter (and NOK 45 million for the fourth quarter of 2023). The NOK 13 million increase from the third to the fourth quarter is primarily driven by the following factor; i) the third quarter included a NOK 6 million reversal of a 2023 provision, ii) the fourth quarter incurred higher expenses for professional services in relation to capital raise which was announced on 23 Dec 2024 and other operational costs (NOK 3 million) and iii) additional operating expenses related to the SALCOS project (NOK 4 million).

EBITDA was NOK -44 million in the fourth quarter of 2024 (NOK -38 million in third quarter of 2024 and NOK 17 million in the fourth quarter of 2023.

Depreciation & amortization expenses were NOK 6 million in fourth quarter, the same level as in third quarter of 2024. This is the same level as the fourth quarter of 2023.

EBIT in the fourth quarter 2024 amounted to NOK -50 million compared to NOK -44 million in the third quarter of 2024. The amount is NOK 11 million for the fourth quarter of 2023.

Net loss for the fourth quarter amounted to NOK -38 million compared to a loss of NOK -38 million in third quarter of 2024 (and NOK -1 million in fourth quarter of 2023).

The order backlog amounted to NOK 305 million as of 31 December 2024, compared to NOK 341 million as of 30 September 2024 (NOK 423 million as of 31 December 2023).

## Net financial items

| Q4 2024 | Q3 2024 | Q4 2023 | NOK million | FY 2024 | FY 2023 |
|---|---|---|---|---|---|
| 0 | 2 | 1 | Interest gain (+)/expense (-) | 4 | 4 |
| 12 | 4 | -12 | Net foreign exchange gain (+)/expense (-) | 25 | -8 |
| -2 | - | - | Impairment of financial assets | -2 | 0 |
| 1 | -0 | 0 | Other finance income (+)/expense (-) | -1 | -1 |
| 12 | 6 | -11 | Net financial items | 27 | -5 |

Net financial items amounted to a gain of NOK 12 million in the fourth quarter 2024 and a gain of NOK 6 million in the third quarter of 2024. The amount for the fourth quarter of 2023 is a loss of NOK 11 million. The gain in financial items in 2024 is primarily linked translation gains from outstanding receivables in foreign currency primarily, USD.

The figures in the fourth quarter include a recognition of an impairment of NOK 2 million, in non-current receivables. The impairment is approximate 50 % of the value of the receivable.

## Balance sheet

| NOK million | 31 Dec 2024 | 30 Sep 2024 | 31 Dec 2023 |
|---|---|---|---|
| Assets | | | |
| Intangible assets | 56 | 57 | 58 |
| Property, plant and equipment | 89 | 76 | 68 |
| Right of use assets and financial investments | 55 | 55 | 56 |
| Total non-current assets | 200 | 188 | 182 |
| Current operating assets | 190 | 186 | 301 |
| Cash and cash equivalents | 191 | 188 | 161 |
| Total current assets | 382 | 374 | 462 |
| Total Assets | 582 | 562 | 644 |
| Equity and liabilities | | | |
| Total equity | 348 | 385 | 453 |
| Total non-current liabilities | 22 | 21 | 19 |
| Total current liabilities | 211 | 155 | 172 |
| Total liabilities | 233 | 177 | 191 |
| Total equity and liabilities | 582 | 562 | 644 |

As of 31 December 2024, total assets were NOK 588 million, up from NOK 562 million in the previous quarter and down from NOK 644 million a year earlier.

Non-current assets increased to NOK 200 million from NOK 188 million last quarter, including a relatively stable intangible assets and financial assets at NOK 56 million and NOK 55 million respectively, and an increase in plant, machinery, and equipment to NOK 89 million from NOK 76 million.

Current assets slightly increased to NOK 382 million from NOK 374 million last quarter, with current operating asset and cash & deposits increasing by NOK 4 million and NOK 3 million to NOK 190 and NOK 191 million respectively.

Equity totaled NOK 348 million, down from NOK 385 million last quarter, with an equity ratio of 59.9%, down from 68.6% last quarter.

Total liabilities increased to NOK 233 million, almost exclusively due to increase in current liabilities to NOK 211 million from NOK 155 million in the previous quarter. Current liabilities include trade payables, other short-term obligations, and provisions for warranty related to project activity (see Note 7).

## Cash flows

| Q4 2024 | Q3 2024 | Q4 2023 | NOK million | FY 2024 | FY 2023 |
|---|---|---|---|---|---|
| 188 | 247 | 133 | Cash balance start of period | 161 | 257 |
| 14 | -41 | 37 | Net cash flow from operating activities | -22 | -188 |
| -9 | -15 | -8 | Net cash flow from investing activities | -25 | -20 |
| -1 | -3 | -1 | Net cash flow from financing activities | 78 | 111 |
| 4 | -59 | 28 | Total changes in cash | 31 | -96 |
| | | | | | |
| 191 | 188 | 161 | Cash balance end of period | 191 | 161 |

Net change in cash position during the fourth quarter 2024 was NOK 4 million (increase in cash position) compared to NOK - 59 million (decrease in cash position) in the third quarter 2024.

At the end of the fourth quarter 2024 the cash balance was NOK 191 million, compared to NOK 188 million at the end of the third quarter of 2024 and NOK 161 million as of the fourth quarter of 2023.

During this fourth quarter, net cash flow from investing activities was NOK -9 million, compared to NOK -15 million in the third quarter 2024. These investments primarily support the expansion of manufacturing capacity in Aarhus. The corresponding amount for the fourth quarter of 2023 is NOK -8 million.

Net cash flow from financing activities in the quarter was NOK -1 million compared to NOK -3 million in the third quarter 2024.The corresponding amount for the fourth quarter of 2023 is NOK -1 million. This is primarily linked to payment of lease liabilities.

On 23rd December 2024, HydrogenPro announced raising NOK 70 million through a private placement of new shares directed at its existing shareholders, ANDRITZ AG and Mitsubishi Heavy Industries (MHI). Additionally, the company has entered into an investment agreement with LONGi Hydrogen Technology Co., Ltd., involving a conditional equity investment of approximately NOK 70 million, and a cooperation agreement.

Share capital increase was registered on 13th January 2025, and payment of NOK 70 million received 17 January 2025 from ANDRITZ AG and Mitsubishi Heavy Industries Ltd. (MHI).

The capital injection from LONGi is expected to be registered and paid in the second quarter of 2025.

# Financial statements

# Condensed interim financial statements

## Condensed Consolidated statement of comprehensive income *(unaudited)*

| Q4 2024 | Q4 2023[1] | NOK '000 | Notes | FY 2024 | FY 2023[1] |
|---|---|---|---|---|---|
| | | Operating income and operating expenses | | | |
| 70 053 | 127 308 | Revenue from contracts with customers | 2 | 195 688 | 568 233 |
| 70 053 | 127 308 | Total revenue | | 195 688 | 568 233 |
| 41 102 | 39 407 | Direct materials[1] | | 146 967 | 330 979 |
| 28 951 | 87 901 | Gross Profit | | 48 722 | 237 254 |
| 42 232 | 26 366 | Personnel expenses | | 144 348 | 119 725 |
| 31 061 | 44 970 | Other operating expenses | | 108 900 | 153 539 |
| -44 342 | 16 565 | EBITDA | | -204 527 | -36 010 |
| 5 535 | 6 035 | Depreciation and amortization expense | 3,4 | 23 265 | 22 281 |
| -49 877 | 10 530 | EBIT | | -227 792 | -58 292 |
| 26 439 | 12 545 | Financial income | | 43 730 | 33 502 |
| -14 848 | 23 597 | Financial expenses | | -16 418 | 38 147 |
| 11 591 | -11 052 | Net financial income and expenses | | 27 313 | -4 645 |
| -38 285 | -522 | Profit / (loss) before income tax | | -200 480 | -62 936 |
| - | - | Income tax expense | | - | - |
| -38 285 | -522 | Profit / (loss) for the period | | -200 480 | -62 936 |
| | | Other comprehensive income: | | | |
| | | *Items that may be reclassified to profit or loss:* | | | |
| 342 | -3 346 | Exchange difference on translation of foreign operations | | 7 024 | -730 |
| 342 | -3 346 | Net Other comprehensive income | | 7 024 | -730 |
| -37 943 | -3 868 | Total comprehensive profit / (loss) for the period | | -193 457 | -63 666 |
| | | Total comprehensive profit / (loss) for the period attributable to: | | | |
| -36 791 | -8 336 | Equity holders of the parent company | | -189 380 | -65 243 |
| -1 152 | 4 468 | Non-controlling interest | | -4 076 | 1 576 |
| | | Earnings per share (in NOK) | | | |
| -0,54 | -0,13 | Basic and diluted earnings per ordinary share[1)] | | -2,88 | -1,09 |

*1) Based on average 68.28 million shares (59.94 million for 2023) outstanding for the purpose of earnings per share*

*[1]See Note 10 Change of Presentation of Income Statement*

# Condensed Consolidated statement of financial position *(unaudited)*

| NOK '000 | Note | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|---|
| Assets | | | |
| Intangible assets | 3 | 56 295 | 57 932 |
| Property, plant and equipment | 4 | 88 811 | 68 157 |
| Right of use assets | 4 | 17 283 | 20 455 |
| Financial assets | 5 | 34 060 | 30 517 |
| Other receivables | | 3 499 | 4 804 |
| Total non-current assets | | 199 949 | 181 865 |
| Current assets | | | |
| Inventories | 6 | 27 509 | 14 554 |
| Trade receivables | 9 | 115 292 | 179 184 |
| Contract assets | 2 | 15 272 | 65 836 |
| Other receivables | | 32 406 | 41 665 |
| Cash and bank deposits | | 191 216 | 160 531 |
| Total current assets | | 381 694 | 461 770 |
| Total assets | | 581 643 | 643 634 |
| Equity | | | |
| Share capital | | 1 402 | 1 266 |
| Share premium account | | 775 875 | 691 796 |
| Other equity contributed | | 42 596 | 38 558 |
| Other equity | | -480 271 | -284 221 |
| Currency translation difference | | 6 398 | -625 |
| Equity attributable to HydrogenPro's shareholders | | 346 000 | 446 774 |
| Non-controlling interest | | 2 362 | 6 438 |
| Total equity | | 348 362 | 453 212 |
| Deferred tax | | - | - |
| Non-current lease liabilities | | 12 305 | 11 428 |
| Non-current provisions | 7 | 9 538 | 6 785 |
| Total non-current liabilities | | 21 843 | 18 213 |
| Current liabilities | | | |
| Current lease liabilities | | 5 651 | 8 933 |
| Trade creditors | | 59 361 | 39 170 |
| Contract liabilities | 2 | 916 | 49 641 |
| Public duties payable | | 8 558 | 6 128 |
| Other short term liabilities | 7 | 136 952 | 68 338 |
| Total current liabilities | | 211 438 | 172 209 |
| Total liabilities | | 233 281 | 190 422 |
| Total equity and liabilities | | 581 643 | 643 634 |

## The Board of Directors and Chief Executive Officer Hydrogen Pro ASA Oslo, 24 February 2025

Porsgrunn/Oslo, 24 February 2025

(All signatures electronically signed)

| | | | | | |
|---|---|---|---|---|---|
| Dag J. Opedal | Asta Stenhagen | Jarle Tautra | Vivian Y Chen Espeseth | Marianne Mithassel Aamodt | Geir Bredo Larsen |
| *Chair of the Board* | *Board member* | *Board member* | *Board member* | *Board member* | *Board member* |
| Bjørn Hansen | Jarle Dragvik | | | | |
| *Board member* | *CEO* | | | | |

# Condensed Consolidated statement of changes in equity *(unaudited)*

| NOK '000 | Share capital | Share premium account | Other equity contrib. | Currency translat. Difference | Other equity | Equity attrib. to share-holders | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|
| Equity as at 01.01.2023 | 1 161 | 575 039 | 34 162 | -588 | -219 117 | 390 657 | 4 963 | 395 620 |
| Total comprehensive income | | | | -730 | -64 513 | -65 243 | 1 576 | -63 666 |
| Reclassification | | | | 693 | -592 | 101 | -101 | 0 |
| Issue of shares | 105 | 116 757 | | | | 116 862 | | 116 862 |
| Cost of share-based payment | | | 4 396 | | | 4 396 | | 4 396 |
| Equity as at 31.12.2023 | 1 266 | 691 796 | 38 558 | -625 | -284 221 | 446 773 | 6 438 | 453 212 |
| | | | | | | | | |
| Equity as at 01.01.2024 | 1 266 | 691 796 | 38 558 | -625 | -284 221 | 446 773 | 6 438 | 453 212 |
| Total comprehensive income | | | | 7 024 | -196 404 | -189 380 | -4 076 | -193 457 |
| Issue of shares | 136 | 1 508 | | | | 1 644 | | 1 644 |
| Private placement | | 82 571 | | | | 82 571 | | 82 571 |
| Cost of share-based payment | | | 4 038 | | 354 | 4 392 | | 4 392 |
| Equity as at 31.12.2024 | 1 402 | 775 875 | 42 596 | 6 398 | -480 271 | 346 000 | 2 362 | 348 362 |

# Condensed Consolidated statement of cash flows *(unaudited)*

| Q4 2024 | Q4 2023 | NOK '000 | Notes | YTD 2024 | FY 2023 |
|---|---|---|---|---|---|
| | | Cash flows from operating activities | | | |
| -38 285 | -522 | Profit / (loss) before income tax | | -200 480 | -62 936 |
| 5 894 | 6 035 | Depreciation and amortization expense | 3,4 | 23 265 | 22 281 |
| 1 416 | - | Loss on disposals on property, plant and equipment | | 5 549 | - |
| 997 | -3 662 | Option cost no cash effect | | 4 391 | 3 312 |
| -3 332 | 21 766 | Change in trade receivable and contract assets | | 119 870 | -206 607 |
| 3 558 | 5 774 | Change in inventory | | -12 954 | 21 207 |
| 11 901 | 2 868 | Change in trade payable and contract liabilities | | -28 533 | 2 542 |
| 1 839 | - | Impairment of financial assets | | 1 839 | - |
| -14 322 | 2 423 | Effect of foreign currency translation | | -12 790 | 1 778 |
| 44 224 | 2 105 | Change in other accruals | | 77 987 | 31 788 |
| 13 890 | 36 786 | Net cash flows from operating activities | | -21 856 | -186 634 |
| | | Cash flows from investing activities | | | |
| -8 888 | -7 804 | Purchases of tangible assets | 4 | -25 124 | -19 886 |
| -8 888 | -7 804 | Net cash flows from investing activities | | -25 124 | -19 886 |
| | | Cash flows from financing activities | | | |
| -1 468 | -1 467 | Payment of lease liabilities | | -6 550 | -6 832 |
| - | - | Proceeds from Equity Issue | | 84 214 | 121 902 |
| - | - | Transaction cost on issue of shares | | - | -5 040 |
| -1 468 | -1 467 | Net cash flows from financing activities | | 77 664 | 110 030 |
| 187 682 | 133 016 | Cash balance start of period | | 160 531 | 257 022 |
| 3 534 | 27 515 | Net change in cash | | 30 685 | -96 491 |
| 191 216 | 160 531 | Cash balance end of period | | 191 216 | 160 531 |

# Notes to the financial statements

## Note 1 – Organization and basis for preparation

**Corporate information**
HydrogenPro ASA ("the Company") is a public limited company, incorporated in Norway, headquartered in Herøya, Norway and listed on Oslo Stock Exchange. Address headquarters: Hydrovegen 55, 3936 Porsgrunn, Norway.

The Company was established in 2013 by individuals with background from the electrolysis industry which was established in Telemark, Norway. HydrogenPro comprises an experienced engineering team of leading industry experts, drawing upon unparalleled experience and expertise within the hydrogen and renewable sectors. By combining in-depth knowledge with innovative design, the company continuously aspires to pioneer game-changing ideas and solutions to realize and maximize new opportunities in a smarter, sustainable, hydrogen powered future. HydrogenPro designs and supplies customized hydrogen plants in cooperation with global partners and suppliers, all ISO 9001, ISO 45001 and ISO 14001 certified. The core product is the alkaline high-pressure electrolyzer.

HydrogenPro is listed on Oslo Stock Exchange under the ticker "HYPRO".

**Basis for preparation**
The fourth quarter statements and the have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). The quarterly financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

The accounting policies applied in the preparation of the quarterly financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

**Significant accounting judgements, estimates and assumptions**
The preparation of the consolidated financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

The accounting policies applied by management which includes a significant degree of estimates and assumptions or judgments that may have the most significant effect on the amounts recognized in the financial statements, are summarized below:

- Revenue recognition from contracts with customers
- Provision for warranty accruals
- Estimating fair value for share-based payments transactions
- Impairment of goodwill and intangible assets

Refer to the annual report of 2023 for more details related to key "judgement" and estimations.

The Interim financial information has not been subject to audit or review.

# Note 2 – Revenue from contracts with customers and segments

**Geographical region**

| Q4 2024 | Q4 2023 | NOK '000 | FY 2024 | FY 2023 |
|---|---|---|---|---|
| | | Geographical region | | |
| - | 104 | Norway | - | 3 280 |
| 63 963 | 3 387 | Europe | 196 853 | 7 295 |
| 4 022 | 124 411 | America | -5 551 | 538 499 |
| 2 069 | -593 | Asia Pacific | 4 387 | 19 159 |
| 70 053 | 127 308 | Total revenue | 195 688 | 568 233 |

The Group recognizes revenue according to IFRS 15 and applies judgment that significantly affects the determination of timing and amounts of revenue from contracts with customers.

Each contract is assessed with respect to whether the revenue can be classified as customized and in turn recognized using percentage of completion method. The degree of completion is calculated as expenses incurred as a percentage of estimated total expenses. Total expenses are reviewed on a regular basis. If the projects are expected to result in losses the total estimated loss is recognized immediately.

Liquidated Damages (LDs) are penalties for not achieving defined milestones on time. Total liquidated damages are considered variable payments in a contract.

At each reporting period HydrogenPro reassess expected variable payment and consider if any or whole is constrained. Expected variable payment is estimated based on facts and circumstances, including past performance. The Group only includes the amount (some or all) in the transaction price if it is highly probable that there won't be a significant change in the revenue recognized once the uncertainty is resolved (referred to as constraint).

The Group's revenue from contracts with customers are recognized from two principal sources: sale of electrolyze systems, and sale of engineering services. The sale of engineering services is either in combination with the sale of electrolyze systems or as a separate service, as in FEED studies.

The Group's revenue and expenses are not allocated to different segments, and this is consistent with the internal reporting provided to the chief operating decision maker.

| Q4 2024 | Q4 2023 | NOK '000 | FY 2024 | FY 2023 |
|---|---|---|---|---|
| 819 | 127 308 | Revenue recognized over time | -10 311 | 565 081 |
| 69 235 | - | Revenue recognized at point - in - time | 205 999 | 3 152 |
| 70 053 | 127 308 | Total revenue | 195 688 | 568 233 |

| Q4 2024 | Q4 2023 | NOK '000 | FY 2024 | FY 2023 |
|---|---|---|---|---|
| 68 835 | 123 831 | Revenue from sale of electrolyser system | 185 396 | 557 040 |
| -11 | 3 478 | Revenue from sale of Feed and case-studies | 6 061 | 11 193 |
| 1 230 | - | Revenue from scrapping of material as nikkel, steel etc. | 4 231 | - |
| 70 053 | 127 308 | Total revenue | 195 688 | 568 233 |

# Note 2 – Revenue from contracts with customers and segments*- continued*

| NOK ‘000 | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Contract assets | | |
| Opening balance 1 January | 65 836 | 19 828 |
| Transfers from contract assets recognised at the beginning of the period to receivable | -52 821 | -19 828 |
| Increase due to measure of progress in the period | 2 258 | 65 836 |
| Balance end of period | 15 272 | 65 836 |
| | | |
| Contract liabilities | | |
| Opening balance 1 January | 49 641 | 65 691 |
| Revenue from amounts included in contract liabilities at the beginning of the period | -49 641 | -65 691 |
| Billing and advances received not recognised as revenue in the period | 916 | 49 641 |
| Balance end of period | 916 | 49 641 |

# Note 3 – Intangible assets

| NOK ‘000 | Technology | Patent and licenses | Goodwill | Total |
|---|---|---|---|---|
| Purchase cost 1 Jan 2024 | 41 366 | 11 742 | 21 935 | 75 043 |
| Foreign exchange differences | 4 574 | - | 2 099 | 6 673 |
| Purchase cost 31 Dec 2024 | 45 940 | 11 742 | 24 034 | 81 716 |
| Accumulated depreciation 1 Jan 2024 | 12 414 | 4 697 | - | 17 111 |
| Depreciation year to date 2024 | 4 527 | 2 348 | - | 6 875 |
| Foreign exchange differences | 1 436 | | | 1 436 |
| Net book value 31 Dec 2024 | 27 564 | 4 697 | 24 034 | 56 295 |

The Group’s Intangible assets comprise technology following the acquisition of HydrogenPro Aps in Denmark (formerly; Advance Surface Plating ApS), patent and licenses relating to FEED-studies to be used in the further development of 100 MW production plants and goodwill following the acquisition of 75 percent of the shares of HydrogenPro (Tianjin) CO Ltd.

No additions of intangible assets have been recognized as for the year 2024.

# Note 4 – Property, plant, equipment and right-of-use asset

Property, plant and equipment and right of use assets mainly relate to the production plant facility in Tianjin China, and Aarhus, Denmark, the Technology Centre at Herøya, Norway and office facilities in Norway, Denmark and China.

Total additions to tangible assets in the fourth quarter amounted to NOK 14.4 million, contributing to a total addition to tangible assets for the year of NOK 30.6 million. The additions for the quarter and the year as a whole are mainly related to the work in progress in Denmark in connection with the expansion of the manufacturing capacity.

Depreciation of tangible assets for the year to date was NOK 9.2 million.

## Note 4 – Property, plant, equipment and right-of-use asset*- continued*

| NOK '000 | Plant and machinery | Movables | Machinery and plant in progress | Right-of-use assets | Total |
|---|---|---|---|---|---|
| Purchase cost 1 Jan 2024 | 75 714 | 5 625 | 543 | 31 373 | 113 256 |
| Additions | 800 | 466 | 29 338 | 7 610 | 38 214 |
| From Machinery and plant in progress | 590 | - | -590 | | - |
| Disposals | -6 302 | -81 | - | -12 887 | -19 271 |
| Foreign exchange differences | 5 170 | 390 | 101 | 1 427 | 7 088 |
| Purchase cost 31 Dec 2024 | 75 972 | 6 399 | 29 391 | 27 523 | 139 287 |
| Accumulated depreciation 1 Jan 2024 | 12 267 | 1 457 | | 10 918 | 24 643 |
| Depreciation year to date 2024 | 8 018 | 1 201 | - | 6 525 | 15 745 |
| Disposals | -835 | - | - | -7 615 | -8 449 |
| Foreign exchange differences | 720 | 122 | - | 412 | 1 253 |
| Net book value 31 Dec 2024 | 55 801 | 3 619 | 29 391 | 17 283 | 106 094 |

## Note 5 – Financial investment

| NOK '000 | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Opening balance 1 January | 30 517 | 29 572 |
| Translation effect | 3 543 | 945 |
| Convertible receivables end of period | 34 060 | 30 517 |

HydrogenPro has joined as a co-investor by financing DG Fuels LLC's ("DG Fuels") sustainable aviation fuel ("SAF") project. The convertible receivable is measured at fair value through profit or loss based on the level 3 in the fair value hierarchy.

**Level 3** has been defined as follows:

- Value measurements of assets or liabilities that are not based on observed market values.

At the end of 31 December 2024, the company has considered that the cost is the best estimate of the fair value.

## Note 6 – Inventory

| NOK '000 | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| Inventory | | |
| Finished goods | 6 346 | - |
| Raw material | 15 605 | 14 554 |
| Work in progress | 5 557 | - |
| Carrying amount | 27 509 | 14 554 |

Inventories comprises purchased raw material, work in progress and finished goods. Raw material includes parts that become an integrated part of finished goods.

Obsolescence assessed for inventories was NOK 0 million as of 31 December 2024 and as of 31 December 2023 there were write-downs of obsolete goods of NOK 5.7 million.

# Note 7 – Provisions and Other Current Liabilities

| NOK '000 | Warranty provisions | Other provisions | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|---|---|
| Provisions | | | | |
| Opening balance 1 January | 16 962 | 25 318 | 42 280 | |
| Additions | 5 509 | 54 048 | 59 557 | 42 280 |
| Foreign exchange differences | 1 376 | 2 362 | 3 738 | - |
| Warranties and other provisions end of period | 23 846 | 81 728 | 105 575 | 42 280 |
| | | | | |
| Current provisions | 14 308 | 81 728 | 96 036 | 35 495 |
| Non-current provisions | 9 538 | - | 9 538 | 6 785 |
| Other current liabilites | - | 40 916 | 40 916 | 32 843 |
| Provisions and other current liabilities end of period | 23 846 | 122 644 | 146 490 | 75 123 |

Estimated warranty obligations are recognized in the same period as the related revenue, or when a project is installed or commissioned. These warranties are based on contractual commitments and liabilities under applicable laws.

The Group's warranties provide assurance that the electrolyzers are free from defects and meet the required specifications. They are accounted for under IAS 37 as a provision and recorded as an operating expense.

The warranty provision is typically based on historical experience and often constitutes a percentage of revenue from contracts with customers.

Due to limited historical data, the Group considers available industry information, documented product failure rates, and expected material and labor costs for the project to make its estimates.

Other provisions include provisions for settlements and claims.

# Note 8 – Overview of Group companies

| | | | Ownership interest | | Voting power | |
|---|---|---|---|---|---|---|
| Company | Country | Main operations | 31 Dec 2024 | 31 Dec 2023 | 31 Dec 2024 | 31 Dec 2023 |
| HydrogenPro ApS | Denmark | Technology industries | 100 % | 100 % | 100 % | 100 % |
| HydrogenPro Tianjin CO Ltd | China | Technology industries | 75 % | 75 % | 75 % | 75 % |
| HydrogenPro Shanghai CO Ltd | China | Technology industries | 100 % | 100 % | 100 % | 100 % |
| Kvina Energy AS | Norway | Technology industries | 50 % | 50 % | 50 % | 50 % |
| HydrogenPro France* | France | Technology industries | 100 % | 100 % | 100 % | 100 % |
| HydrogenPro Inc | United States of America | Technology industries | 100 % | 100 % | 100 % | 100 % |
| HydrogenPro GmbH | Germany | Technology industries | 100 % | 100 % | 100 % | 100 % |

**The company is excluded from the consolidation as this is a company without significant assets or operating assets that provides services to the group that would have been consolidated.*

## Note 9 – Trade Receivables

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from individual customers at the end of the fourth quarter.

| NOK '000 | Gross carrying Amount | Provision for bad debt |
|---|---|---|
| Current (not past due) | 59 | |
| 1-30 days past due | 921 | |
| 31-60 days past due | 3 468 | |
| 61-260 days past due | 8 132 | |
| More than one year past due | 102 712 | |
| Carrying value as of 31 Dec 2024 | 115 292 | - |

About 95% of the trade receivables past due are related to one customer. This quarter includes no revenue from this customer.

HydrogenPro does not consider the receivable as uncertain despite the age, as it is due from a counterparty with a strong financial position, and it is expected that the entire amount will be paid upon project completion.

## Note 10 – Change of Presentation of Income Statement

| Q4 2023 | NOK million | FY 2023 |
|---|---|---|
| 71 | Cost of Goods Sold (COGS) | 447 |
| *-32* | *Personnel and Opex included in COGS* | *-116* |
| 39 | Direct materials | 331 |
| | | |
| 19 | Personnel expenses | 85 |
| *8* | *Personnel related to COGS* | *35* |
| 26 | Personnel expenses | 120 |
| | | |
| 21 | Other operating expenses | 72 |
| *24* | *Opex related to COGS* | *82* |
| 45 | Other operating expenses | 154 |

In connection with the third quarter of 2024 report, the presentation of the Income Statement was modified. Prior to that, Gross Profit was presented as Total Revenue less Cost of Goods Sold (COGS), which included personnel and other operating expenses. Starting from the third quarter 2024, Gross Profit is now calculated as Total Revenue less Direct Material Costs only. Personnel expenses and other operating costs directly related to project deliveries are no longer included in the Gross Profit calculation and are instead reported separately below Gross Profit. This change provides a clearer view of the direct material margin.

Prior period figures have been reclassified to ensure consistency and comparability. The periods that are relevant for comparison in the fourth quarter report are the figures reported in the fourth quarter of 2023 and the financial year 2023.

This reclassification does not impact operating profit, net income, or other key financial results.

# Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of interim consolidated financial statements at 31 December 2024 and for the twelve-month period 1 January to 31 December 2024 have been prepared in accordance with IAS 34 “Interim Financial Reporting” and give a true and fair view of the Group’s assets, liabilities, financial position and the result for the period viewed in their entirety, and that the third quarter report in accordance with the Norwegian Securities Trading Act section 5-6 fourth paragraph includes a fair review of any significant events that arose during the nine-month period and their effect on the third quarter financial report, any significant related parties transactions, and a description of the principal risks and uncertainties.

Porsgrunn/Oslo, 24 February 2025

(All signatures electronically signed)

| | | | | | |
|---|---|---|---|---|---|
| Dag J. Opedal | Asta Stenhagen | Jarle Tautra | Vivian Y Chen Espeseth | Marianne Mithassel Aamodt | Geir Bredo Larsen |
| *Chair of the Board* | *Board member* | *Board member* | *Board member* | *Board member* | *Board member* |
| Bjørn Hansen | Jarle Dragvik | | | | |
| *Board member* | *CEO* | | | | |

# Alternative Performance Measures

# Alternative Performance Measures

HydrogenPro discloses alternative performance measures. This is based on the group's experience that APMs are frequently used by analysts, investors and other parties as supplemental information. The purpose of APMs is to provide an enhanced insight into the operations, financing and future prospects of the group. Management also uses these measures internally to drive performance in terms of monitoring operating performance and long-term target setting. APMs are adjusted IFRS measures that are defined, calculated and used in a consistent and transparent manner over the years and across the group where relevant. Financial APMs should not be considered as a substitute for measures of performance in accordance with IFRS.

HydrogenPro's financial APMs:

- **Gross profit** is defined as revenue from contracts with customers less direct material cost. Gross profit margin represents gross profit as a percentage of revenue from contracts with customers.
- **EBITDA** is defined as earnings before interest, tax, depreciation, amortization and impairment, corresponding to operating profit/(loss) plus depreciation, amortization and impairment.
- **Net investments** are additions to property, plant and equipment (capital expenditures), plus long-term securities, intangible assets, long-term advances and investments in equity accounted investments, including amounts recognized in business combinations for continuing operations.
- **Order Intake** is defined as firm purchase orders with agreed price, volume, timing, term and conditions entered within a given period. The order intake includes both contracts and change order. For service contracts and contracts with uncertain transaction prices, the order intake is based on estimated revenue. The measure does not include potential change order.
- **Backlog** is defined as firm purchase orders with agreed price, volume, timing, terms and condition and where revenue is yet to be recognized. The backlog includes both contracts and change orders. For service contracts and contracts with uncertain transaction prices, the backlog is based on estimated revenue. The measure does not include potential change orders.

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